

AMENDED IN SENATE APRIL 23, 2001
AMENDED IN SENATE MARCH 28, 2001
AMENDED IN SENATE MARCH 19, 2001

SENATE BILL

No. 98

Introduced by Senator Kuehl
(Principal coauthor: Senator Polanco)
(Coauthors: Senators Bowen, Chesbro, Murray, and
Vasconcellos)
(Coauthors: Assembly Members Aroner, Koretz, Liu, and Steinberg)

January 18, 2001

An act to add Section 14021.45 to the Welfare and Institutions Code, relating to human services.

LEGISLATIVE COUNSEL'S DIGEST

SB 98, as amended, Kuehl. Medicaid: services for persons with dual diagnoses.

Existing law provides for the Medi-Cal program, administered by the State Department of Health Services, under which qualified low-income persons are provided with health care services.

Under existing law, the State Department of Mental Health provides funding to local entities for mental health services, and the State Department of Alcohol and Drug Programs provides funding to local entities for alcohol and drug programs.

This bill would permit certain cities and counties to contract with the State Department of Mental Health and the State Department of Alcohol and Drug Programs, jointly, to provide specified services under the Medi-Cal program to persons with a dual ~~diagnosis~~ *diagnoses* of alcohol or drug addiction and *serious, persistent* mental illness.

This provision would be implemented only to the extent that federal financial participation is available pursuant to an approved federal medicaid plan amendment *or waiver authorizing federal financial participation*.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 14021.45 is added to the Welfare and
2 Institutions Code, to read:
3 14021.45. (a) (1) A Medi-Cal beneficiary residing in a city
4 or county contracting pursuant to subdivision (c) who has ~~a dual~~
5 ~~diagnosis~~ *dual diagnoses* of alcohol or other drug dependence and
6 a *serious, persistent* mental illness shall be eligible to receive
7 inpatient and outpatient services, and other diagnostic, screening,
8 preventive, or remedial rehabilitative services, in either a clinic or
9 community setting, for the maximum restoration of that person to
10 the best possible functional level when all of the following
11 conditions are met:
12 (A) The services are designed to meet the diagnostic,
13 treatment, and rehabilitation needs of persons with an alcohol or
14 other drug dependence for which treatment is medically necessary.
15 (B) The services are designed to meet the diagnostic or
16 treatment needs of persons with a *serious, persistent* mental illness
17 for which treatment is medically necessary.
18 (C) The services or diagnostic procedures, or both, are
19 recommended by a physician or other licensed practitioner of the
20 healing arts within the scope of his or her practice under state law,
21 or are provided by an alcohol or other drug treatment program
22 licensed or certified by the State Department of Alcohol and Drug
23 Programs.
24 (2) This subdivision shall be implemented only to the extent
25 that federal financial participation is available pursuant to an
26 approved state medicaid plan amendment *or waiver* authorizing
27 federal financial participation.
28 (b) The State Department of Health Services, in cooperation
29 with the State Department of Mental Health and the State
30 Department of Alcohol and Drug Programs, shall prepare and
31 submit, by July 1, 2002, amendments to the state medicaid plan in

1 order to obtain uniform federal financial participation for the
2 services prescribed by this section.

3 (c) A county or city that operates an integrated, collaborative
4 mental health and alcohol and drug program for the dually
5 diagnosed may be eligible, either directly or pursuant to
6 subcontract, to provide services under this section in accordance
7 with the contract to be entered into with the State Department of
8 Mental Health and the State Department of Alcohol and Drug
9 Programs, jointly.

10 (d) Funds shall be available to county or city entities that
11 provide assurance that Medi-Cal beneficiaries who meet the
12 requirements of this section will be served pursuant to individual
13 treatment plans that treat both medically necessary conditions of
14 *serious, persistent* mental illness and alcohol or other drug
15 dependence.

16 (e) The State Department of Mental Health and the State
17 Department of Alcohol and Drug Programs shall jointly prepare
18 and submit a report to the fiscal committees of the Legislature, by
19 July 1, 2002, of an estimate of additional nonfederal funds
20 necessary to provide medically necessary diagnosis and treatment
21 for any person as prescribed in subdivision (a).

22 (f) The State Department of Mental Health and the State
23 Department of Alcohol and Drug Programs shall, by July 1, 2002,
24 jointly develop standards and guidelines that ensure that quality
25 services are delivered, pursuant to this section, efficiently to the
26 eligible population. The standards shall provide that both mental
27 illness and alcohol or drug dependence are appropriately and
28 effectively treated, that provider standards ensure effective
29 treatment and diagnosis in every part of the state, and that new
30 federal matching funds result in new services to eligible persons
31 with dual diagnoses.

32 (g) The State Department of Mental Health and the State
33 Department of Alcohol and Drug Programs shall include
34 consumers, family members, and institutional and community
35 providers in the development of the State Medicaid Plan
36 amendments required by subdivision (b) and in the development
37 of standards and guidelines pursuant to subdivision (f). *The State*
38 *Department of Health Services may submit to the federal Health*
39 *Care Financing Administration a federal waiver request, if*
40 *necessary, to implement this section. If a waiver is necessary, the*

- 1 *State Department of Health Services shall develop the waiver in*
- 2 *consultation with the State Department of Mental Health and the*
- 3 *State Department of Alcohol and Drug Programs.*
- 4 (h) This section is not intended to limit a Medi-Cal recipient's
- 5 right to receive services otherwise provided in this chapter.

